



Black State Employees Association of Texas Community Development Corporation, Inc.

February 1, 2005

Mr. Saleem Jafar
Owner/President/Managing Partner
Odyssey Residential Holdings, Inc.
5430 LBJ Frwy., Suite 1200
Dallas, Texas 75240
Transmitted Via Fax To (972) 455-9297 Hard Copy Delivered Certified Mail
#7004 2890 0000 7903 8212 Return Receipt Requested

Re: The Homes Of Pecan Grove

Dear Mr. Jafar:

This letter is written regarding the referenced matter and pursuant to The BSEATCDC, Inc. contractual relationship (Project Manager) with the aforementioned project. Unfortunately, on yesterday, January 31, 2005, Bill Fisher demanded and insisted upon a revision to our original contract signed and dated October 8, 2004, as a prerequisite to The BSEATCDC, Inc. receiving the balance of the payment owed and due upon closing of the bonds finalized last Thursday, January 27, 2005. Due to Bill's insistent, "strong arm" and "hostage holding" tactics to get me to initial the revisions, I did so on a "tentative" basis.

Needless to say, I was very disappointed, but not surprised with the manner both you and Bill desperately and cleverly attempted orchestrated this maneuver on me. Bill waves a copy of a check with only his signature, and states that the check is not valid until you come to the office to add you signature (stating you were only 30 minutes away from the office). All along using pressure tactics to get my initials on the revisions.

Upon further review and consideration, The BSEATCDC, Inc. position is to keep in place the original contract, which as you know requires The BSEATCDC, Inc. to review, evaluate and approve all contracts, contractors, site plans, project budget, cost projects, etc. Therefore, I am requesting all of the information and documents necessary for The BSEATCDC, Inc. consideration and or approvals be provided promptly and delivered via courier to 6960 S. Polk St., Dallas, Texas 75232 attention: Dr. Darren L. Reagan. Please be advised, all contracts signed after October 8, 2004 must receive The BSEATCDC, Inc. approval to be considered legal and valid (contractually). That is not to say that The BSEATCDC, Inc. will not consent/approve, however, a review and consent/approval is clearly outlined in The BSEATCDC, Inc. contract.

"MAKING THE VISION A REALITY"

**P.O. BOX 763773 * DALLAS, TEXAS 75376 * (214) 467-7600 * FAX (214) 467-7704
Toll Free (800) 257-9443**

**GOVERNMENT
EXHIBIT
321**

3:07-CR-0289001

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Mr. Saleem Jafar
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Additionally, Bill indicated/alleged that you had "arbitrarily" selected a general contractor for the project, which is in clear violation of our contract and the public commitment to various elected and public officials and regulatory agencies, community organizations and community leaders, local African American business owners, affected residents and others to conduct an open bid process. Particularly, those individuals who came out early on and offered their public support. It is therefore, The BSEATCDC, Inc. legal and public position and obligation to have the general contractor contract awarded via the public competitive bidding process.

Regrettably, The BSEATCDC, Inc. will begin the process of proposing more stronger legally binding revisions, thereby, strengthening Odyssey's contractual and public commitment to The BSEATCDC, Inc., The Pecan Grove and the proposed Dallas West Villages projects, the affected neighborhood, residents interested African American business owners, potential contractors and others. Especially, as it relates to the recent negative experiences (over the past 2-3 weeks), as well as my personal "not so pleasant" experience with the highly unusual, unethical and unprofessional behavior and conduct relative to Odyssey simply honoring your word and contractual commitment/obligation, personal and public trust and good faith effort. All of the aforementioned was used to garner community and leadership support for both projects.

Going forward, no longer will The BSEATCDC, Inc. hold discussions and meetings with Bill Fisher "only" regarding matters and decisions related to The Pecan Grove project and or the proposed Dallas West Villages project. All meetings and discussions between The BSEATCDC, Inc. and Odyssey must include yourself. Meeting notes and minutes must be properly recorded and documented. Personally, Bill is a good guy, but, Bill is Bill (a good guy).

At this time, The BSEATCDC, Inc., as well as other interested parties in both projects (Pecan Grove and Dallas West Villages) are not comfortable with Odyssey's true intentions and commitment (community good faith and trustworthiness efforts), especially, the proposed Dallas West Villages project. However, The BSEATCDC, Inc., on behalf of its constituents and others continue to maintain our commitment to our well documented public position of supporting Tax Credit affordable housing and mixed use retail development projects, and is prepared and committed to make our very best effort through "good faith" negotiations (contractually) to insure compliance.

Finally, by both yours and Bill's own admission, Pecan Grove and Dallas West Villages projects were DEAD! With practically ZERO support from the members of the Dallas City Council and senior city officials. Odyssey sought out the support of The BSEATCDC, Inc. for both projects. Allen and I sacrificed very long and hard hours, expending a significant amount of political capital. Numerous public/elected officials stated, "there was no support for both projects around the horse shoe nor anywhere in Dallas City Hall."

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Our families, organization and others made very significant sacrifices (financial and otherwise) only to be "dogged out", mistreated and taken the advantage of by the very group that sought our assistance. Simply put, there would not have been a bond closing last week for others to be compensated "royally" and on time, had it not been for Allen and I. The BSEATCDC, Inc. literally raised both projects from the dead.

Interestingly, neither you nor Bill ever entertained a thought nor did it ever cross your minds to hold up or use "strong arm" tactics on the Anglo professional service providers and consultants lined up expecting to be paid promptly on the day of bond closing. As a matter of fact, they knew and you knew they would be paid right then and there, no questions asked.

In closing, I have authorized our legal counsel to review and make the necessary revisions as expeditiously as possible relative to the Dallas West Villages contract. Hopefully, you will be as responsive in order that we might be able to provide The Honorable Don Hill, Deputy Mayor Pro Tem, City of Dallas and others an update regarding our progress.

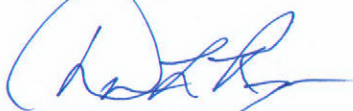
Please find attached/enclosed an approved The BSEATCDC, Inc. invoice for prompt payment in the amount of \$4000, all in accordance with The BSEATCDC, Inc. original contract. Please contact me directly ASAP regarding when the check will be ready for pick up.

Also, all future correspondences and communications (including invoices) from The BSEATCDC, Inc. regarding both projects will be addressed directly to your attention and will carbon copy others as you designate.

Thank you for your prompt attention and reply. The BSEATCDC, Inc. look forward to improving the line of communication, hopefully, establishing a more balanced and mutually respectful and beneficial relationship. Personally, no hard feelings, business is business.

Feel free to contact me directly at (214) 207-0850 should you have any additional questions, comments or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dr. Reagan", with a large, stylized flourish extending from the end.

Dr. Darren L. Reagan
Chairman/CEO

Attachments/enclosures

The Black State Employees Association of Texas

Post Office Box 763773

Dallas, TX 75376

(214) 467-7600 Fax (214) 467-7704

INVOICE

INVOICE NO: 01-05

DATE: January 31, 2005

To: **Saleem Jafar**

President/Managing Partner
Odyssey Residential Holdings, Inc.
The Homes of Pecan Grove
5430 LBJ Frwy., Suite 1200
Dallas, Texas 75240

Ship To:

Approved
[Signature]

SALESPERSON	P.O. NUMBER	DATE SHIPPED	SHIPPED VIA	F.O.B. POINT	TERMS

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	October 2004 - January 2005		
	Monthly Car Allowance		2,800.00
	Monthly Cellular Phone Allowance		1,200.00
SUBTOTAL			\$ 4,000.00
SALES TAX			
SHIPPING & HANDLING			
TOTAL DUE			\$ 4,000.00

Make all checks payable to: The Black State Employees Association of Texas
If you have any questions concerning this invoice, call: Darren Reagan

THANK YOU FOR YOUR BUSINESS!

2-1-05

ATTN: SALEEM JAFAR
FROM: DR. DARREN REAGAN
(214) 207-0850

**Terrell & Associates,
Inc.**

Memo

PECAN GROVE DEVELOPMENT

To: Contractors / Subs
From: Gail Terrell
CC: Black State employees Association of Texas Community Development Corporation (BSEAT CDC)
Date: 1/17/2005
Re: Opportunities for African American and Minority Subcontractors

Pecan Grove has a goal of 30% African American and minority participation throughout the construction phase.

Each potential bidder is requested to identify any subcontractors that are African American or minority that will be included in your bid package.

Each potential bidder is requested to identify each employment opportunity by trade with a sample of your employment application attached.

The successful bidder and subcontractors will be asked to participate in a job fair for neighborhood and local residents to apply for the identified employment openings.

Each bidder is expected to provide all pertinent data including the following to enable a clear understanding of the builder's strengths and weaknesses. Including:

- a. AIA: Contractor's Qualifications Statement
- b. African American and Minority Participation as described above
- c. Brochure
- d. Relevant Projects
- e. Sample Project Package
- f. Management Structure & Resumes
- g. Project Manager & Superintendent Names
- h. Financial Information
- i. Major Subcontractor Recommendations
- j. Fee Structure.
- k. Project Budget (OVERALL & Total)

(On Site / OFF Site
Employment Opport.)

Office: (214) 467-7600
Fax: (214) 467-7704

(214) 207-0848
" " " 50

Cell #3



"A CONTINUOUS PROGRESSIVE
CLIMB FOR JUSTICE
AND EQUALITY"

**BLACK STATE EMPLOYEES
ASSOCIATION OF TEXAS, INC.**

DR. DARREN L. REAGAN
CHAIRMAN/CEO

P.O. Box 763773
Dallas, Texas 75376

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**BLACK STATE EMPLOYEES
ASSOCIATION OF TEXAS**

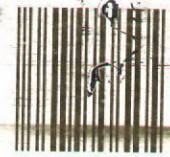
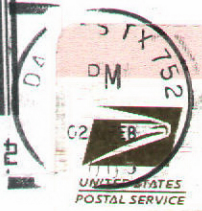
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RETURN RECEIPT
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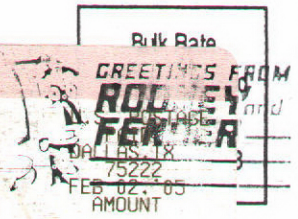
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Mr. Saleem Talar
Odyssey Residential Holdings, Inc.
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Suite 1200
Dallas, Texas 75240

